Why Service Companies are not Implementing EMAS as They Are with ISO 14001. An Exploratory Research based on Italian Service Companies

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Abstract

Purpose. The main purpose of this paper is to investigate why service companies are more implementing ISO 14001 rather than EMAS. In particular, the paper wants to bring to light what are the pitfalls and the encountered criticalities of implementing and certifying EMAS in service companies.

Methodology. This research used a questionnaire based on open-ended questions such as typical exploratory qualitative method of analysis. A sample of ten Italian managers, who hold the position in the environmental management, have been interviewed in order to collect more data. These managers are working in ISO 14001 certified service companies that did not want to proceed towards EMAS after ISO 14001 The results have been collected through a memoire guide, then analysed, coded and grouped in some categories.

Findings. According to the literature review, it seems that EMAS is more difficult to implement than EMAS. There are also some issues related to environmental laws and regulations compliance and their public divulgation through a statement, furthermore there are pitfalls bound to costs for the external verification body as well as a low interest on EMAS outside Europe.

Practical implications. Findings can be very useful for service organisations which are thinking about implementing a CSR system in compliance with ISO 14001 standard and/or with EMAS scheme.

Originality/value. ISO 14001 and EMAS implementation have been investigated and deepened in many sectors and industries. However, there is poor literature dedicated to EMAS compared with ISO 14001 and implemented in service organisations.

Keywords
ISO 14001; EMAS; legal compliance; environmental management; CSR; environmental statement; qualitative research

1. Introduction

EMAS, which stands for Eco-Management and Audit Scheme, is a voluntary Regulation by EU, launched in 1993. ISO 14001, instead, is a voluntary standard by International Standard Organisation based in Genève, issued in 1996 focused on environmental management.

Environmental management is a systematic approach to finding practical ways for saving water, energy, and materials, and reducing negative environmental impacts. A proactive environmental management standard can help a company save money, get recognized for environmental leadership (*Kitazawa, Sarkis, 2000*) and make stronger Corporate Social Responsibility (*Pedrini and Ferri, 2014*). Both the standards aim to improve the environmental performances of the companies but the figures are not the same. While ISO 14001 is largely adopted in many EU organisations, EMAS is surely less implemented. In countries such as Italy, for example, EMAS is implemented less than by one tenth respect to ISO 14001, in the UK about 6.5% (*European Commission, 2008*) and only in the virtuous Germany the figures show a 40% EMAS respect to ISO 14001. Same figures can be found among service industry.

What is the difference between ISO14001 and EMAS? Why is EMAS chasing ISO 14001 without reaching it, even if EMAS was issued before? Is legal compliance the main cause of this minor adhesion by EU service companies or is it just a matter of market request?
This research tries to answer these questions and bring results for further developments.

2. EMAS versus ISO 14001 – Literature review

According to many authors, EMAS goes beyond ISO 14001 in a number of ways, requiring the undertaking of an initial environmental review, the active involvement of employees in the implementation of EMAS, and the publication of relevant information to the public and other interested parties (*European Commission, 2008*). Notable differences include the following points (*Morrow and Rondinelli, 2002*).

Preliminary review: EMAS requires a quantitative initial environmental analysis - ISO does not.

Public availability: EMAS requires that the policy, programs, environmental management system and details of the organisations performance are made publicly available as part of the environmental statement. ISO requires only that the policy be publicly available.

Audits: ISO 14001 requires audits, although the frequency is not specified nor is the audit methodology set out in as much detail as in EMAS.

Commitments and requirements: ISO14001 does not stipulate the extent to which performance must be improved (*Roberts and Robinson, 2004*). EMAS specifies that organisations must attempt to "reduce environmental impacts to levels not exceeding these corresponding to economically viable application of best available technology" (*European Commision, 2008*).

EMAS requires the existence of a "competent body," established by EU members, which is responsible for the registration of new companies and the coordination and enforcement of EMAS regulations.

Last but not least, EMAS puts more emphasis on legal compliance, due to a double verification, first by an Accredited Environmental Verifier and afterwards by local authorities. According to the guidelines of the European Commission the differences are illustrated below.

	EMAS	ISO 14001
Status	Under legal bases (EU Member States and EEA countries). Regulation of the European Parliament and the Council under public law	Under no legal bases. (International: worldwide) ISO standard under private law
Organisations	The entity to be registered shall not exceed the boundaries of the Member State, and it is intended to go towards entities and sites	Does not go towards entities or sites
Environmental Policy	Included commitment to continual improvement of environmental performance of the organisation	Does not include a commitment to the continual improvement of environmental performance but of the performance of the system
External communication	Open dialogue with the public. Public Environmental Statement (validated for verifiers)	Not open dialogue with the public. Only is required to respond to relevant communication from external interested parts. Control by public is not possible
Environmental aspects	Identification and evaluation of the environmental aspects (direct and indirect). Establishment of criteria for assessing the significance of the environmental aspects	Required only a procedure able to identify environmental aspects
Legal compliance	Obligatory to demonstrate it. Required full legal compliance. There is a compliance-audit	Only commitment to comply with applicable legal requirements. There is no compliance-audit
Continual improvement	Required annual improvement	Required periodically improvement without a defined frequency
Management review	Is wider and requires an evaluation of the environmental performance of the organization, based on a performance-audit	Required an environmental performance in the management, but not through a performance audit
Contractors and Suppliers	Required influence over contractors and suppliers	Relevant procedures are communicated to contractors and suppliers
Employees involvement	Active involvement of employees and their representatives)	No active involvement is required
Internal environmental Auditing	Includes: system-audit, a performance-audit (= evaluation of environmental performance) and an environmental compliance-audit (= determination of legal	Included only system audit against the requirements of the standard

(*European Commission, 2008*)

3. Research Questions

As a result of the literature review it can surely be claimed that legal compliance is an important difference between the two standards but it is not the only one. There are, thence, several management aspects of differences and complementarities between the standards, such as the environmental statement. In any case it will be assumed as research questions that legal compliance and the double verification (accredited verifier plus local authorities) can affect the EMAS implementation.

4. The research - Methodology

Why is EMAS chasing ISO 14001 in service industry without reaching it, even if EMAS was issued before? Is legal compliance the main cause of this minor adhesion by EU companies or is it just a matter of market request? This research aims to answer these questions using a questionnaire based on open-ended questions such as typical qualitative method of analysis (*Patton, 2000*). A sample of ten Italian managers, who hold the position in the environmental management, have been interviewed in order to collect more data. These managers are working in ISO 14001 certified service companies that did not want to proceed towards EMAS after ISO 14001.

A semi-structured interview has been used. Before interviewing the managers, in fact, it was developed an interviewer guide with some open questions that brought to the exploration of the specific areas of interest (Ethnographic interviewing).According to Holstein and Gubrium (1997) the ethnographic interview includes both 'Grand tour' and 'mini-tour' questions, where 'Grand tour' gets overview and 'mini tour' gets details.

The questions of draft memoire are all substantially opened type. This because questions of closed type would not have allowed the interviewee the analysis and the discussion of unknown aspects. According to Hammersley and Atkinson (1995):

A question which sharply defines a particular area for discussion is far more likely to result in omission of some vital data which you, the interviewer, have not even thought of '.
During the interview 'leading questions' have been avoided in order to not to try to force the interviewee to accept any hypothesis.

The open questions, besides, facilitate the discussion with the interviewee and bring to the so-called reflective confrontational interviewing. Every answer has been discussed by both with the purpose to individualize additional elements or to modify some aspects in semiotic elements. The underlined questions are finally those that directly bring to the verification of the research questions. Following the draft aide memoire or interviewer guide.

> 1. Good morning Mr/Mrs, you are interviewed as expert of Environmental Management. How long have you been dealing with environment? (try to understand if the person is really an expert of environment as many believe that he/she is)
> 2. Is the ISO 14001 management system linked to strategic objectives of the business plan (investigation on continuous improvement and management review)?
> 3. Have you issued an initial review?
> 4. Do you create a Data Base of the environmental law for the legal compliance?
> 5. Are you experiencing difficulties in respecting legal compliance?
> 6. What kind of auditors do you use? Are they independent and skilled?
> 7. How do you manage external communication?
> 8. Why do not to obtain EMAS?
> 9. Do Extra-UE customers recognize the 'value' of EMAS?
> 10. Do you manage an environmental statement?
> 11. Will you be reaching EMAS in the future?

5. Organising data

Using a word processor the data have been organized. Particularly it has been built a chart that puts in correlation the content of the answers to the research questions through the search

of key words. First of all the key words that directly or indirectly bring to the confirmation of the questions have been listed, for example:
- Legal compliance;
- Environmental statement;
- differences;
- verifier;
- local authorities;
- Etc.
Briefly the flux of the decisional process that has brought to the confirm of the research questions:
1-Defining the list of the Keywords (Initial coding)
2-Checking the list (Comparison and looking for patterns)
3-Searching the Keywords
inside the answers through (Grouping relevant chunks)
4- Reading accurately the answer
5-Dealing the text with the Research questions
6-Confirming the questions

6. Validity and trustworthiness

Qualitative research uses a naturalistic approach that seeks to understand phenomena in context-specific settings, such as real world setting where the researcher does not attempt to manipulate the phenomenon of interest' (Patton, 2002), so in order to collect data that are not manipulated and consequently reliable or trustworthy:
- Managers experienced have been chosen for the interviews;
- Lead question have carefully been avoided;
- The data transcribed have been discussed with the managers;
- It has been checked more times that the interviewer and the interviewee used the same language.
The research, besides, is based on the maximum respect of the privacy and the ethical code through the omission of names, and other types of confidential dates.

7. Results and conclusions

The analysis points out the attention on the following aspects that only confirm one of the preliminary research questions. The answers to the interviews are below summarised.
1) EMAS is more difficult to implement than ISO 14001: a deeper preliminary review, the audit management and, in particular, the environmental statement make the difference between the two standards. The environmental statement can take up to three year of collecting data.
2) EMAS compliance is based on a perfect respect of all the laws and regulations, both National and European, but it seems that also ISO 14001 implementation stresses this aspect. Besides the managers agree that legal compliance is a basic and fundamental pillar of CSR. You cannot discuss it.

3) The compliance is verified twice. First by a verifier that gets a UKAS or ACCREDIA accreditation (in Italy), then by the IEMA or ISPRA (in Italy). All the ten managers emphasize the increasing of the costs and the waste of time.

4) The European customers are very interested in EMAS and they recognize a great value to the standard. American and Asian companies sometimes do not know at all EMAS.

5) The environmental statement worries several (Italian) managers because is a public document. It is in fact well known that within the statement the companies must declare any environmental incident/accident occurred.

Therefore using the data of the interviews only the research question 'double verification' is confirmed. It seems that the respect of legal compliance does not affect the EMAS implementation. There are besides other important aspects that can affect the EMAS implementation such as the contents and complexity of the environmental statement and its external communication.

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